

## City of Annapolis

### FY 2003 - FY 2008 Capital Improvements Program

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#### *Capital Improvements Program*

#### **Introduction:**

The Capital Improvements Program (CIP) is a projection of the City's capital investments plan for a six-year period. Capital investments involve major City projects which normally have long, useful lives. Projects included in the CIP usually fall into one of the following four categories:

1. Acquisition of land for a public purpose.
2. The construction of a significant facility, road or an addition to an existing facility.
3. Non-recurring rehabilitation or major repair to all or part of a facility.
4. Any specific planning, engineering study or design work related to a project that falls in the above three categories.

The recommended CIP includes six years of projected capital needs. The first year of the program will become the capital budget for which project money will be authorized. The remaining five years of the CIP will serve as a financial plan for capital investments. The financial plan will be reviewed each year as the CIP is updated and prepared.

#### **Financing the Capital Budget:**

The following funding sources are used to finance the projects presented in the CIP:

- *General Obligation Bonds* - Bonds are the primary source of funding by which capital projects are financed.
- *State Grants* - The City receives state grants for various capital projects, including roads, community facilities, buses and dock repairs .
- *Federal Grants* - Usually for transportation related capital projects, such as the new bus fleet.
- *AA Co. Contributions* - Contributions from Anne Arundel County for projects that serve the need of both City and County residents, usually roads.
- *Contributions* - Funds contributed to a project by a local business or special interest group. This includes developer contributions, which are payments by developers for capital facilities that enhance their property.
- *Community Development Block Grant (CDBG) Funds* - Federal grant funds primarily used to facilitate the production and preservation of low and moderate income housing.
- *Capital Facilities Assessments (CFA)* - A source of funding for Water and Wastewater projects only, these are user fees in the form of connection charges and annual assessments.
- *Operating Funds* - Next to general obligation bonds, operating funds are the largest source of funding for capital projects.

## **City of Annapolis**

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#### **Relationship Between the Operating and Capital Budget:**

The Operating and Capital budgets of the City of Annapolis have a direct relationship. The cost of operations and maintenance of a new capital project will need to be absorbed in the operating budget. Whenever a capital project is brought on line, operating costs are incurred.

The Operating Budget for the City is for costs associated with providing on-going services to citizens. Some of these operating costs are for salaries, professional services, maintenance costs, supplies and operating capital items. Revenues for the operating budget are generally from taxes, intergovernmental sources and user fees.

The Capital Budget includes expenditures for major capital programs which add to the capital assets for infrastructure of the City. These programs are long-term in nature (over one year) and are usually financed on a long-term basis. The long-term financing is associated with a long-range commitment of operating funds. For example, if twenty year bonds are issued to finance capital needs, the operating funds will need to budget debt service payments for the next two decades. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact.

#### **Use of Operating Funds for Capital Projects:**

In an effort to provide critical capital projects, while simultaneously keeping debt issuances to a minimum, the City pursues a policy of earmarking excess General Fund balance for the purpose of providing pay-as-you-go funding for the CIP. The City strives to maintain a General Fund balance at a level equal to 25% of annual revenues. Amounts in excess of this target are eligible to be used as “pay-as you-go” funding for the CIP. In the adopted FY 2003 General Fund operating budget, \$4,579,690 has been budgeted as a pay-as-you-go transfer to the Capital Improvements Program.

## Capital Improvements Program "Back Page"

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Listed below are the known projects which have been identified as desirable, but unaffordable in the current CIP program. They are not in priority order.

<i>Project Name</i>	<i>Estimated Cost</i>
Smithville/Russell Street Roadway Improvements *	1,033,000
Bates Senior Center	500,000
Church Circle Brick Roadway	1,475,000
New Public Works Facility	8,500,000
City Dock Bulkhead Replacement	2,500,000
NAAA Shuttle Enhancements	183,000
Taylor Avenue Undergrounding	2,914,000
Capital City - Undergrounding of Utilities - Maryland Ave / Hanover St	5,560,000
Capital City - Undergrounding of Utilities - Cornhill Street	979,000
Capital City - Undergrounding of Utilities - East Street	3,600,000
Capital City - Undergrounding of Utilities - Fleet Street	900,000
Capital City - Undergrounding of Utilities - Pinkney Street	810,000
<b>Total</b>	<b>28,954,000</b>

\* Decision awaits action/decision on reuse of Bates High School.

## Changes From the FY 2003-FY 2008 Proposed to the FY 2003-FY 2008 Adopted Capital Improvements Program

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(In Thousands)

The following tables illustrate changes made between the Mayor's Proposed FY 2003 - FY 2008 Capital Improvement Program and the Council Adopted FY 2003 - FY 2008 Capital Improvement Program. The amounts shown are for project capital costs only, and do not include costs for debt service or operating and maintenance costs.

### ***Coordinated Traffic Signal Control System***

(Roadways Project 452): Funding deferred.

	<i><b>Prior Year</b></i>	<i><b>FY 2003</b></i>	<i><b>FY 2004</b></i>	<i><b>FY 2005</b></i>	<i><b>FY 2006</b></i>	<i><b>FY 2007</b></i>	<i><b>FY 2008</b></i>	<i><b>Total</b></i>
Proposed	20,000	220,000	220,000	220,000	220,000	220,000		1,120,000
Adopted	20,000	142,750	297,250	220,000	220,000	220,000		1,120,000

**Capital Improvement Program Fund Totals**  
**FY 2003 - FY 2008**

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<i><b>Fund</b></i>	<i><b>FY 2003 Adopted</b></i>
General	50,312,760
Water	7,031,500
Sewer	12,328,150
Off Street Parking	32,380,000
Dock	555,000
Market	751,000
Transportation	1,276,000
<b>Total</b>	<b>\$104,634,410</b>

The table above, and also the following table, include project capital costs only, and do not include costs for debt service or operating and maintenance costs.

**Capital Improvements Program Summary by Fund  
FY 2003 - FY 2008**

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
<i>General Fund:</i>	
#108 Homewood Drainage Area Improvement	1,421,060
#114 Porter Drive Outfall Repair	202,000
#118 Moreland Parkway Watershed Management	251,200
#120 Drainage Pipe Lining	95,000
#205 Eastport Fire Station	50,000
#217 Police Building Renovations	403,000
#219 Mobile Data Computing	474,000
#new Annapolis Police Addition and Renovations	5,025,000
#308 Truxtun Park Path	99,125
#335 Northwest Street Park	112,980
#336 Advance Land Acquisition	87,420
#337 Annapolis Courts Resurfacing	187,000
#338 Skate Park	37,000
#340 Truxtun Park Improvements	560,000
#342 Poplar Avenue Trail	180,000
#514 Recreation Center	7,605,000
#new Playground Replacements	200,000
#new Bates Athletic complex Improvements	145,000
#402 Edgewood Road Improvements	1,818,000
#433 West Street Revitalization	13,143,340
#449 Forest Drive Sidewalks	2,488,000
#452 Coordinated Traffic Signal Control System	1,120,000
#453 Eastport Traffic Calming and ADA Improvements	318,000
#new Eastport Street Widening	196,000

**Capital Improvements Program Summary by Fund  
FY 2003 - FY 2008**

- continued -

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
#new Taylor Avenue Improvements	2,293,940
#515 Financial Management System	3,623,000
#516 Structural Inspection of Dam	42,460
#556 Vehicle Replacement Program	7,220,010
#582 Information Technology Program	765,220
#645 Annapolis Maritime Museum	100,000
#new Mount Olive Community Life Center	50,000
<b>Total</b>	<b>50,312,755</b>

*Water Fund:*

#937 Water Storage Tank	4,620,000
#941 Water Wells No. 10 & 11	1,084,000
#new Water Tank Rehabilitation	727,500
#new Clear well Replacement	600,000
<b>Total</b>	<b>7,031,500</b>

*Sewer Fund:*

#961 Second Street Force Main	1,178,000
#968 WWTP Sewer Replacement	452,000
#970 Wastewater Treatment Plant	5,604,110
#998 General Sewer Rehabilitation	5,094,040
<b>Total</b>	<b>12,328,150</b>

*OSP Fund:*

#999 Knighton Garage	6,825,000
#new Park Place Garage	25,000,000
#new Hillman Garage Facade	555,000

**Capital Improvements Program Summary by Fund  
FY 2003 - FY 2008**

- continued -

<i>Fund by Project Number and Name</i>	<i>Total Amount</i>
<b>Total</b>	<b>32,380,000</b>

*Dock Fund:*

#994 Truxtun Park Boat Ramps	389,000
#996 Eastport Bulkhead Replacements	166,000
<b>Total</b>	<b>555,000</b>

*Market Fund:*

#933 Market House Renovations	751,000
<b>Total</b>	<b>751,000</b>

*Transportation Fund:*

#997 Intelligent Transportation Systems	246,000
#new Transit Center	1,030,000
<b>Total</b>	<b>1,276,000</b>

<b>Grand Total</b>	<b>104,634,405</b>
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## Capital Improvements Program Funding Summary by Program Area

(In Thousands)

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>6 Year Total</i>
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*Storm Drains:*

Bond Funds	547	72		475					475
State Grants	246	246							0
Operating Funds	1,176	1,176							0
<b>Total</b>	<b>1,969</b>	<b>1,494</b>	<b>0</b>	<b>475</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>475</b>

*Public Safety:*

Bond Funds	4,485	328	(328)	4,485					4,157
Federal Grants	229	229							0
Operating Funds	1,238	218	790		180	50			1,020
<b>Total</b>	<b>5,952</b>	<b>775</b>	<b>462</b>	<b>4,485</b>	<b>180</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>5,177</b>

*Recreation:*

Bond Funds	5,235			5,235					5,235
State Grants	2,231	198	268	1,365	400				2,033
Operating Funds	1,748	713	630	405					1,035
<b>Total</b>	<b>9,214</b>	<b>911</b>	<b>898</b>	<b>7,005</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,303</b>

*Roadways:*

Bond Funds	12,762	3,309	5,571	1,708	2,174				9,453
Operating Funds	7,865	6,337	571	297	220	220	220		1,528
AA Co. Contribution	750	750							0
<b>Total</b>	<b>21,377</b>	<b>10,396</b>	<b>6,142</b>	<b>2,005</b>	<b>2,394</b>	<b>220</b>	<b>220</b>	<b>0</b>	<b>10,981</b>

## Capital Improvements Program Funding Summary by Program Area

(In Thousands)

- continued -

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>6 Year Total</i>
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*General Government:*

Bond Funds	726		726						726
Federal Grants	2,010	10	400	218	998	384			2,000
State Grants	405	51	50	27	229	48			354
Operating Funds	8,660	1,566	2,532	1,414	1,253	695	600	600	7,094
<b>Total</b>	<b>11,801</b>	<b>1,627</b>	<b>3,708</b>	<b>1,659</b>	<b>2,480</b>	<b>1,127</b>	<b>600</b>	<b>600</b>	<b>10,174</b>

*General Community:*

Operating Funds	0								0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Water:*

Bond Funds	5,095	2,804	(639)	2,930					2,291
Operating Funds	1,936	170	1,039			206	244	277	1,766
<b>Total</b>	<b>7,031</b>	<b>2,974</b>	<b>400</b>	<b>2,930</b>	<b>0</b>	<b>206</b>	<b>244</b>	<b>277</b>	<b>4,057</b>

*Wastewater:*

Bond Funds	5,384	5,359	(3,480)	3,505					25
Contributions	50	50							0
Operating Funds	6,894	1,796	2,885			1,035	1,178		5,098
<b>Total</b>	<b>12,328</b>	<b>7,205</b>	<b>(595)</b>	<b>3,505</b>	<b>0</b>	<b>1,035</b>	<b>1,178</b>	<b>0</b>	<b>5,123</b>

*Off Street Parking:*

Bond Funds	6,755	375	6,380						6,380
Operating Funds	625	70	105	450					555
Other Funds	25,000		25,000						25,000
<b>Total</b>	<b>32,380</b>	<b>445</b>	<b>31,485</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,935</b>

## Capital Improvements Program Funding Summary by Program Area

(In Thousands)

- continued -

<i>Department and Source of Funding</i>	<i>Total Amount</i>	<i>Prior Years</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>6 Year Total</i>
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*Dock:*

State Grants	290		290						290
Operating Funds	265	120	145						145
<b>Total</b>	<b>555</b>	<b>120</b>	<b>435</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>435</b>

*Market:*

Operating Funds	751	80		671					671
<b>Total</b>	<b>751</b>	<b>80</b>	<b>0</b>	<b>671</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>671</b>

*Transportation:*

Federal Grants	1,020		196	824					1,020
State Grants	128		25	103					128
Operating Funds	128		25	103					128
<b>Total</b>	<b>1,276</b>	<b>0</b>	<b>246</b>	<b>1,030</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,276</b>

*Total Funding:*

Bond Funds	40,989	12,247	8,230	18,338	2,174	0	0	0	28,742
State Grants	3,300	495	633	1,495	629	48	0	0	2,805
Federal Grants	3,259	239	596	1,042	998	384	0	0	3,020
Operating Funds	31,286	12,246	8,722	3,340	1,653	2,206	2,242	877	19,040
AA Co. Contribution	750	750	0	0	0	0	0	0	0
Contributions	50	50	0	0	0	0	0	0	
Other	25,000	0	25,000	0	0	0	0	0	25,000
<b>Grand Total</b>	<b>104,634</b>	<b>26,027</b>	<b>43,181</b>	<b>24,215</b>	<b>5,454</b>	<b>2,638</b>	<b>2,242</b>	<b>877</b>	<b>78,607</b>